Comparisons of Actuals -- Fourth Quarter 1989 and 1990

1990	Fourth Quarter				Year-to-Date			
	1990	1989	Variance	Percentage	1990	1989	Variance	Percentage
Income Statement								
Revenue								
Paying Users	3937	2918	1,019	135%				
Active Users	2210	1122	1,088	197%				
Average Active Hours/User	5.61	4.6	1	122%				
Packet Users	1028	545	483	189%				
Packet hour usage	3,554.00	1,826.52	1,727	195%				
Leased line usage		1,292.84	(1,293)					
Monthly fees	92,824	70,216	22,608	132%	318,653	243,704	74,949	131%
Hourly fees	71,408	46,320	25,087	154%	265,355	157,773	107,581	168%
Packet fees	48,096	26,053	22,043	185%	164,156	79,809	84,347	206%
Leased line fees		1,862	(1,862)		6,898	16,042	(9,144)	43%
Disk storage	1,471	1,062	408	138%	9,985	7,039	2,945	142%
Other Revenue (Registrations Fees)	2,117		2,117		3,814		3,814	
Discounts		10,301	(10,301)		4,314	23,420	(19,106)	18%
Total Revenue	215,915	135,213	80,702	160%	764,545	480,948	283,598	159%

Comparisons of Actuals -- Fourth Quarter 1989 and 1990

1990	Fourth Quarter				Year-to-Date			
	1990	1989	Variance	Percentage	1990	1989	Variance	Percentage
Expenses								
Personnel								
Director	14,783	11,550	3,233	128%	54,480	46,838	7,643	116%
System Admin	8,786	8,573	213	102%	34,272	28,208	6,064	121%
Engineer	10,666		10,666		19,619		19,619	
Customer Support	13,708	7,664	6,044	179%	44,083	14,553	29,530	303%
Marketing Director	9,950	9,250	700	108%	38,150	35,890	2,260	106%
Accounts Manager	9,650	8,041	1,609	120%	36,171	28,852	7,319	125%
Admin. Asst.	6,689	856	5,833	781%	20,689	856	19,833	2416%
Bookkeeper	1,600	859	741	186%	5,668	2,677	2,991	212%
Payroll Taxes	5,999	4,171	1,828	144%	20,420	13,549	6,871	151%
Benefits	3,832	1,396	2,436	275%	13,467	5,300	8,168	254%
	85,663	52,360	33,304	164%	287,018	176,722	110,296	162%
Computer Operations								
Computer Space Rent	1,350	150	1,200	900%	3,250	600		542%
Electricity	896	833	63	108%	4,020	2,945	1,075	137%
Hardware	1,612	270	1,342	598%	1,639	13,093	(11,454)	13%
Software	1,050		1,050		1,274		1,274	
Modems		1,378	(1,378)		1,555	2,300	(745)	68%
Maintenance & Repair	3,966	2,624	1,342	151%	14,680	7,530	7,150	195%
Packet Services	39,691	24,435	15,257	162%	134,820	75,443	59,377	179%
Phone Services	5,866	4,996	870	117%	22,595	24,846	(2,251)	91%
Contract Programming	999	1,008	(9)	99%	7,064	8,160	(1,096)	87%
	55,431	35,694	19,737	155%	190,896	132,617	58,279	144%
Sales/Marketing								
Travel & entertainment	173	617	(443)	28%	1,298	1,851	(553)	70%
Promotional materials	2,593		2,593		7,282	622	6,660	1170%
Advertising	90	1,222	(1,132)		1,915	5,700	(3,785)	34%
Network subscriptions	79		79		757		757	
Telephone								
Complimentary WELL time		7,154	(7,154)		861	13,418	(12,557)	6%
	2,935	8,992	(6,057)	33%	12,113	21,591	(9,478)	56%

Comparisons of Actuals -- Fourth Quarter 1989 and 1990

1990	Fourth Quarter				Year-to-Date				
	1990	1989	Variance	Percentage	1990	1989	Variance	Percentage	
Office									
Office Rent	5,130	4,320	810	119%	16,440	13,020	3,420	126%	
Utilities	754	324	430	233%	1,868	935	934	200%	
Postage	1,187	452	735	262%	3,081	2,295	786	134%	
Computer Hardware	575	582	(8)	99%	3,327	2,223	1,104	150%	
Computer Software	598		598		1,196	27	1,169	4429%	BILLING DATABASE & PAGEMAKER
Phones	1,822	771	1,051	236%	3,909	2,656	1,253	147%	
Office Supplies	2,701	1,594	1,107	169%	6,914	5,630	1,284	123%	
Temp Labor	109		109		633	142	491	447%	
Repairs & Maintenance	2,277	480	1,797	475%	3,206	1,471	1,735	218%	
Communications	22		22		94	60	34	157%	
	15,174	8,523	6,651	178%	40,668	28,458	12,210	143%	
Customer Support									
Support Materials	3,291	4,054	(763)	81%	16,477	9,676	6,801	170%	
Postage	971	477	494	204%	3,354	1,824	1,530	184%	
Labor					20	53	(33)	38%	
Complimentary WELL Time					4,021		4,021		
Training									
	4,262	4,531	(268)	94%	23,872	11,553	12,319	207%	
General & Administrative									
Insurance	503	506	(4)	99%	1,734	2,031	(296)	85%	
Depreciation	6,697	6,040	656	111%	22,750	20,355	2,395	112%	
Bad Debts	169	193	(24)	87%	9,802	4,084	5,719	240%	
Outside Professional Services		426	(426)		2,788	1,016	1,772	274%	
Bank Fees	5,147	3,443	1,704	150%	15,867	11,215	4,652	141%	
Miscellaneous	98	145	(47)	68%	4,583	6,235	(1,653)	73%	
Non-taxable Donations					150	25	125	600%	
Board-related Expenses	742	653	89	114%	2,948	2,856	92	103%	
	13,356	11,406	1,949	117%	60,622	47,817	12,805	127%	
Total Expenses	176,821	121,506	55,315	146%	615,190	418,758	196,432	147%	

Comparisons of Actuals -- Fourth Quarter 1989 and 1990

1990	Fourth Quarter				Year-to-Date			
	1990	1989	Variance	Percentage	1990	1989	Variance	Percentage
Earnings Before Interest & Taxes	39,094	17,582	21,512	222%	149,991	62,189	87,802	241%
Interest Income (Expense)								
Interest rec'd from cash in bank	400		400		474		474	
Sequent loan interest paid	(699)	(926)	227	75%	(3,153)	2,862	(6,015)	-110%
	(299)	(926)	627	32%	(2,679)	2,862	(5,541)	-94%
Earnings Before Taxes	38,795	16,657	22,139	233%	147,312	59,327	87,985	248%
Corporate taxes	10,475		10,475		39,774	17,209	22,565	231%
Earnings	28,321	16,657	11,664	170%	107,538	42,118	65,419	255%
Dividends								
Net Earnings	28,321	16,657	11,664	170%	107,538	42,118	65,419	255%
Capital Budget								
Sequent expansion	2,413		2,413		24,206	75,000	(50,794)	32%
Modems					2,839		2,839	
Office equipment	169		169		6,428	1,117	5,311	575%
Other					(5,877)	2,175	(8,052)	-270%
	2,751		2,751		27,765	78,292	(50,527)	35%

Comparisons of Actuals -- Fourth Quarter 1989 and 1990

1990	Fourth Quarter				Year-to-Date			
	1990	1989	Variance	Percentage	1990	1989	Variance	Percentage
BALANCE SHEET								
Short Term Assets								
Cash in bank	12,357	2,810	9,547	440%				
Accounts receivable	70,782	54,602	16,180	130%				
Credit card vouchers	68,754	36,548	32,207	188%				
Other	11,166		11,166					
	163,059	93,960	69,099	174%				
Long Term Assets								
P & E	166,081	138,840	27,241	120%				
Accumulated depreciation	(39,979)	(37,691)	(2,288)	106%				
	126,102	101,149	24,953	125%				
	289,161	195,109	94,052	148%				
Short Term Liabilities								
Prepaid usage	9,386	3,070	6,316	306%				
Accounts payable	16,377	30,534	(14,157)	54%				
Sequent loan (current period)	7,500	3,003	4,497	250%				
NETI loan (current period)	30,000		30,000					
Payroll taxes payable	830	5,859	(5,028)	14%				
Corporate taxes payable	36,535	17,209	19,326	212%				
	100,629	59,674	40,955	169%				
Long Term Liabilities								
NETI advance	32,500		32,500					
Sequent loan	11,362	22,500	(11,138)	50%				
	43,862	22,500	21,362	195%				
Stockholders Equity								
Common Stockholders	27,990	46,467	(18,477)	60%				
Retained earnings	(277)	7,817	(8,094)	-4%				
Current Period Earnings	116,958	58,651	58,306	199%				
	144,671	112,935	31,735	128%				
	289,161	195,109	94,052	148%				

= 7300 Prepaid Collection Svc.
+ 1500 Employee Adv.
+ 1700 Other